

**Montana Board of Oil and Gas Conservation
Environmental Assessment**

Operator: MCR, LLC
Well Name/Number: State #11-24
Location: NE SW Section 24 T22N R19E
County: Fergus, MT; **Field (or Wildcat)** Wildcat

Air Quality

(possible concerns)

Long drilling time: No short, 3 to 4 days drilling time.
Unusually deep drilling (high horsepower rig): No, small single drilling rig TD 1150'.
Possible H2S gas production: None anticipated.
In/near Class I air quality area: Not in a Class I air quality area.
Air quality permit for flaring/venting (if productive): Yes, DEQ air quality permit required under 75-2-211.

Mitigation:

☒ Air quality permit (AQB review)
☐ Gas plants/pipelines available for sour gas
☐ Special equipment/procedures requirements
☐ Other: _____

Comments: Small single derrick drilling rig to drill to 1,150' TD.

Water Quality

(possible concerns)

Salt/oil based mud: No, freshwater and freshwater mud system to be used.
High water table: No, high water table expected.
Surface drainage leads to live water: Closest drainage is an unnamed ephemeral tributary drainage to North Fork Taffy Creek, about 1/8 of a mile to the west from this location.
Water well contamination: None, closest water wells are about 5/8 of a mile to the southwest, about 5/8 of a mile to the northwest, about 3/4 of a mile to the southwest and 1/25 miles to the northeast from this location, depth of these water wells are from 18' and 105'. Surface hole will be drilled with freshwater to 300'. Steel surface casing will be run and cemented to surface to protect ground waters.
Porous/permeable soils: No, sandy bentonitic soils.
Class I stream drainage: No, Class I stream drainages nearby.

Mitigation:

☐ Lined reserve pit
☒ Adequate surface casing
☐ Berms/dykes, re-routed drainage
☐ Closed mud system
☐ Off-site disposal of solids/liquids (in approved facility)
☐ Other: _____

Comments: Adequate surface casing to be set to 300' to protect surface water and water wells.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: No, streams to be crossed, only crossing ephemeral drainages.

High erosion potential: No, moderate cut up to 13.5' and moderate fill up to 18.9', required.

Loss of soil productivity: No, location will be restored after drilling, if nonproductive. If productive unused portion of drillsite will be reclaimed.

Unusually large wellsite: No, small drillsite, 225'X250'.

Damage to improvements: Slight, surface use is grazing land.

Conflict with existing land use/values: Slight

Mitigation

☐ Avoid improvements (topographic tolerance)

☐ Exception location requested

☒ Stockpile topsoil

☐ Stream Crossing Permit (other agency review)

☒ Reclaim unused part of wellsite if productive

☐ Special construction methods to enhance reclamation

☐ Other _____

Comments: Will utilize existing county, Kjørlien Road and two track ranch trail. Short access off existing trail to be build into this location, about 5/8 of a mile. Unlined earthen pits will be utilized for drilling. Drilling fluids, mud solids and cuttings will be allowed to dry in the pits. When pits are dry they will be filled in with subsoil and topsoil spread.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Closest residence is about 1/2 of a mile to the west southwest from this location.

Possibility of H2S: None anticipated.

Size of rig/length of drilling time: Small single derrick drilling rig/Short drilling time 3 to 4 days.

Mitigation:

☒ Proper BOP equipment

☐ Topographic sound barriers

☐ H2S contingency and/or evacuation plan

☐ Special equipment/procedures requirements

☐ Other: _____

Comments: Adequate amount of surface casing and BOP equipment should mitigate any problems.

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified): None identified.

Proximity to recreation sites: None identified.

Creation of new access to wildlife habitat: None

Conflict with game range/refuge management: None

Threatened or endangered Species: Threatened or endangered species identified are the Pallid Sturgeon and Black-Footed Ferret. Species of concern is the Greater Sage Grouse and Sprague's Pipit. NH tracker website lists one(1) species of concern in T22N R19E, Greater Sage Grouse.

Mitigation:

☐ Avoidance (topographic tolerance/exception)

☒ Other agency review (DFWP, federal agencies, DSL)

☐ Screening/fencing of pits, drillsite

☐ Other: _____

Comments: DNRC Trust Lands. Trust Lands will do surface EA.

Historical/Cultural/Paleontological

(possible concerns)

Proximity to known sites None identified

Mitigation

☐ avoidance (topographic tolerance, location exception)

☒ Other agency review (SHPO, DSL, federal agencies)

☐ Other: _____

Comments: DNRC Trust Lands. Trust Lands will do surface EA.

Social/Economic

(possible concerns)

☐ Substantial effect on tax base

☐ Create demand for new governmental services

☐ Population increase or relocation

Comments: No, impact expected from the drilling of this well.

Remarks or Special Concerns for this site

No special concerns about this wellsite. This is a Eagle Formation test to be drilled to 1150' TD.

Summary: Evaluation of Impacts and Cumulative effects

No significant or long term impacts expected from the drilling of this well. Some short term impacts will occur.

I conclude that the approval of the subject Notice of Intent to Drill (does/**does not**) constitute a major action of state government significantly affecting the quality of the human environment, and (does/**does not**) require the preparation of an environmental impact statement.

Prepared by (BOGC): /s/Steven Sasaki
(title:) Chief Field Inspector
Date: September 15, 2011

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC
website

(Name and Agency)

Fergus County water wells

(subject discussed)

September 15, 2011

(date)

US Fish and Wildlife, Region 6 website

(Name and Agency)

ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES

MONTANA COUNTIES, Fergus County

(subject discussed)

September 15, 2011

(date)

Montana Natural Heritage Program Website (FWP)

(Name and Agency)

Heritage State Rank= S1, S2, S3, T22N R19E

(subject discussed)

September 15, 2011

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____